

# **Indiana Office of Energy & Defense Development**

## **GUIDELINES FOR THE BIOMASS FEASIBILITY STUDY GRANT PROGRAM**

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## **BIOMASS FEASIBILITY STUDY GRANT PROGRAM GUIDELINES**

The Indiana Office of Energy & Defense Development (OED) is pleased to offer \$100,000 through the Biomass Feasibility Study Program. The grant program will provide cost share grants to Indiana's public, non-profit, and business sectors for the production of feasibility studies investigating the use of biomass for energy.

Alternative energy systems make use of non-fossil fuel resources to produce clean, home-grown electricity and thermal energy. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to diversify the portfolio of resources we use to produce energy.

The purpose of the grant program is to develop technically and economically feasible biomass to energy projects. These studies will serve as a foundation for applications for federal farm bill funding through the USDA Section 9006 program.

(<http://www.rurdev.usda.gov/rbs/farmbill/>)

### **APPLICATION TIMELINE**

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must begin on or after **September 5, 2007** and all grant funds must be completely used by **May 31, 2008**.

<b>July 2, 2007</b>	- Grant Program announced and posted to OED website.
<b>September 5, 2007</b>	-Applications must be received by OED and/or postmarked by this date in order to be eligible.
<b>September 7, 2007</b>	-E-mail confirmation will be sent to each applicant verifying that the application has been received.
<b>September 21, 2007</b>	-All applicants will be notified of their award or denial via e-mail. -Project can begin after award notification.
<b>October 10, 2007</b>	-Grant agreements will be generated and sent out by this date for those who received award notification.
<b>January 15, 2008</b>	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October).
<b>May 31, 2008</b>	-All grant money must be completely used.
<b>December 31, 2008</b>	-Grant agreement expires.
<b>January 31, 2009</b>	-Final report is due.

## **ELIGIBILITY**

### Applicants

Eligible applicants include entities from Indiana's public, non-profit, agricultural, and business sectors. Applications from the residential sector (homeowners) are not eligible for grant funding. Projects must be located in Indiana and non-Indiana entities must register to do business with the Indiana Secretary of State.

### Resources

Studies investigating alternative energy systems that utilize the following resources to produce thermal energy and/or electricity are eligible for grant funding:

1. Manure
2. Wood Waste
3. Offal
4. Food Processing waste
5. Agricultural co-products
6. Other biomass resources

Non-commercially available technologies and projects using fossil fuels (natural gas, coal or petroleum) are not eligible for grant funding.

### Technology

OED is interested in promoting the utilization of [anaerobic digestion](#) and [gasification](#). Other technologies will be considered, but are given a lower priority. Wood and corn fired combustion boilers for heating are not eligible.

### Costs

Costs directly related to data collection and feasibility report generation are considered eligible expenses. Eligible costs and cost-share must occur during September 21, 2007 to May 31, 2008 time period. This means that projects that begin before September 21, 2007 or that will not use all grant funds by May 31, 2008 are not eligible for grant funding.

## **GRANT AMOUNTS AND COST SHARE**

Grants are for 50% of the costs associated with the study. The maximum grant amount is \$25,000. Depending on the quality of the applications received, OED may award smaller grant amounts than expected to increase the number of projects funded.

## APPLICATION INSTRUCTIONS

**Only complete applications will be reviewed.** All information requested must be included. Each section in the application is addressed below with specific instructions. Some sections are self explanatory and will be noted as such. To begin, click the mouse in the gray box next to “Applicant Organization Name”. To move to the next box press tab or click inside the desired box.

**Applicant information-** Demographic information. Organization contact is the person that is going to sign the grant contract if awarded. The project contact is the person in the applicant organization that is in charge of the project. These could be the same person.

**Executive Summary** - The executive summary shall be one page or less. The executive summary is meant to be a high level summary of the project. The executive summary should be suitable for publishing in the media or on the web. This is a very critical element of the application.

**Applicant Background** - Provide a brief history of the applicant organization, pertinent individuals, and project partners. Explain why the applicant is interested in carrying out this project and give reasons for why the project will be successful. Provide applicant’s or partner’s experience with biomass energy projects.

**Inputs and Outputs** – Identify the key biomass inputs for the project. Give estimates of waste volumes, chemical composition, and moisture content of inputs. Identify the projected use for the outputs of the system. It is critical to have a use for the energy that will provide an economic return. Projects that show high degrees of industrial symbiosis will be preferred. (I.e. a digester selling gas to an ethanol plant which sends CO<sub>2</sub> to a greenhouse watered with digester effluent)

**Environmental Quality Benefits** – Projects must improve environmental quality. Offsetting fossil fuel for energy is a key environmental benefit and is a given for every project. List other benefits that the project will bring. Some key benefits may be nutrient load reduction in soils, reduced use of landfill space, or even reduced use of transportation fuels for wastes or new products.

**Economic Benefits** – Projects must strive to be economically viable. The economic difficulty of selling power or gas to utilities will force people to think creatively and forge partnerships with energy users. Describe how the project will be able to sustain itself financially.

**Project Budget** - This is a short summary of project costs. Detailed project costs should be provided in the quotes attached to the application.

**Project Timeline** - Projects may not begin before September 21, 2007 and must be completed by May 31, 2008. OED recommends that the project is finished by February to allow time to craft a 9006 grant application by the deadline in May, if the study finds it is warranted.

## TERMS

Grants are only available for eligible applicants. Matching funds are required for this grant program. OED reserves the right to award none of the funding allotted (\$0) to all of the funding allotted (\$100,000), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be used by May 31, 2008.** All grants from OED are on a reimbursement basis only. There is no advance payment in this grant program.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of alternative energy systems covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

## GRANT RESPONSIBILITIES

### *Reporting Requirements*

A report is due at the end of each quarter and a final report at the end of the funding period. Quarterly reporting will commence January 2008 and will end with a final report in January 2009. The report will detail activities/results such as timelines, budget information including grant monies received, energy saved, energy cost savings and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due in January, April, July, and October of each year during the Grant Agreement. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy.

A final progress report will be due **January 31, 2009**. This final report will summarize all aspects of the project.

### *Maintain Communication*

The grantee shall maintain communication with the Office of Energy & Defense Development for the duration of the Grant Agreement. A copy of the feasibility study will be due upon completion.

### *Site Visits*

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

## **GRANT APPROVAL**

OED administers the Biomass Feasibility Grant Program and will review and score all grant applications. All grant applications submitted will compete against one another for grant funding. If the applicant is approved by OED, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Award notification will be made by **September 21, 2007** and grant agreements will be sent to awardees by **October 10, 2007**. Once the awardee signs and returns the grant agreement to OED, it will begin the State signature process, which can take up to 8 weeks for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

## **CONFIDENTIALITY INFORMATION**

To the extent feasible and permissible by law, the Office of Energy & Defense Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

## **FOR MORE INFORMATION**

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OED may request additional information from an applicant to help evaluate an application.